

**MEMORANDUM OF UNDERSTANDING
BETWEEN
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION
AND
FAIRBANKS NORTH STAR BOROUGH
FOR
AIR POLLUTION CONTROL**

I. Purpose

The purpose of this memorandum of understanding is to clarify the joint responsibilities for air pollution control and monitoring within the Fairbanks North Star Borough. The Alaska Department of Environmental Conservation (DEC) and the Fairbanks North Star Borough (Borough) have joint responsibility for air pollution control in the Fairbanks North Star Borough. The parties to this Memorandum of Understanding recognize that clear lines of responsibility must be established and maintained to maximize the efficient utilization of available resources and to provide the greatest protection to the public's health and safety. It is with this recognition that these two parties hereby enter into this agreement.

II. Major Stationary-Sources

DEC will retain responsibility for permitting, inspection, surveillance, and enforcement of all currently permitted facilities under DEC authority, and for any new sources that require DEC permit approval under AS 46.14.

DEC will:

notify the Borough upon receipt of any permit applications or renewals for State Air Quality Permits for stationary sources located within the Borough, to allow sufficient time for Borough comment on such permitting activities;

respond to Borough requests during the Department permit review, for additional information from a permit applicant pursuant to 18 AAC 50 or the State Implementation Plan for Air Quality Control; and

provide information in a reasonable time period to the Borough in response to requests for information on permitted facilities.

The Borough will:

register with DEC's online system for public notice announcements when it becomes available; and

notify DEC when it desires information on a permitted facility, permit application or renewal.

III. Open Burning

DEC will be responsible for issuing approvals for open burning of materials from land clearing operations of 40 acres or greater, and for the open burning of petroleum-based materials or other materials in a way that gives off black smoke.

DEC will:

provide the Borough with copies of all open burning approvals issued by DEC for sites within the Borough; and

notify applicants to contact the Borough regarding the Borough Codes pertaining to open burning.

The Borough will:

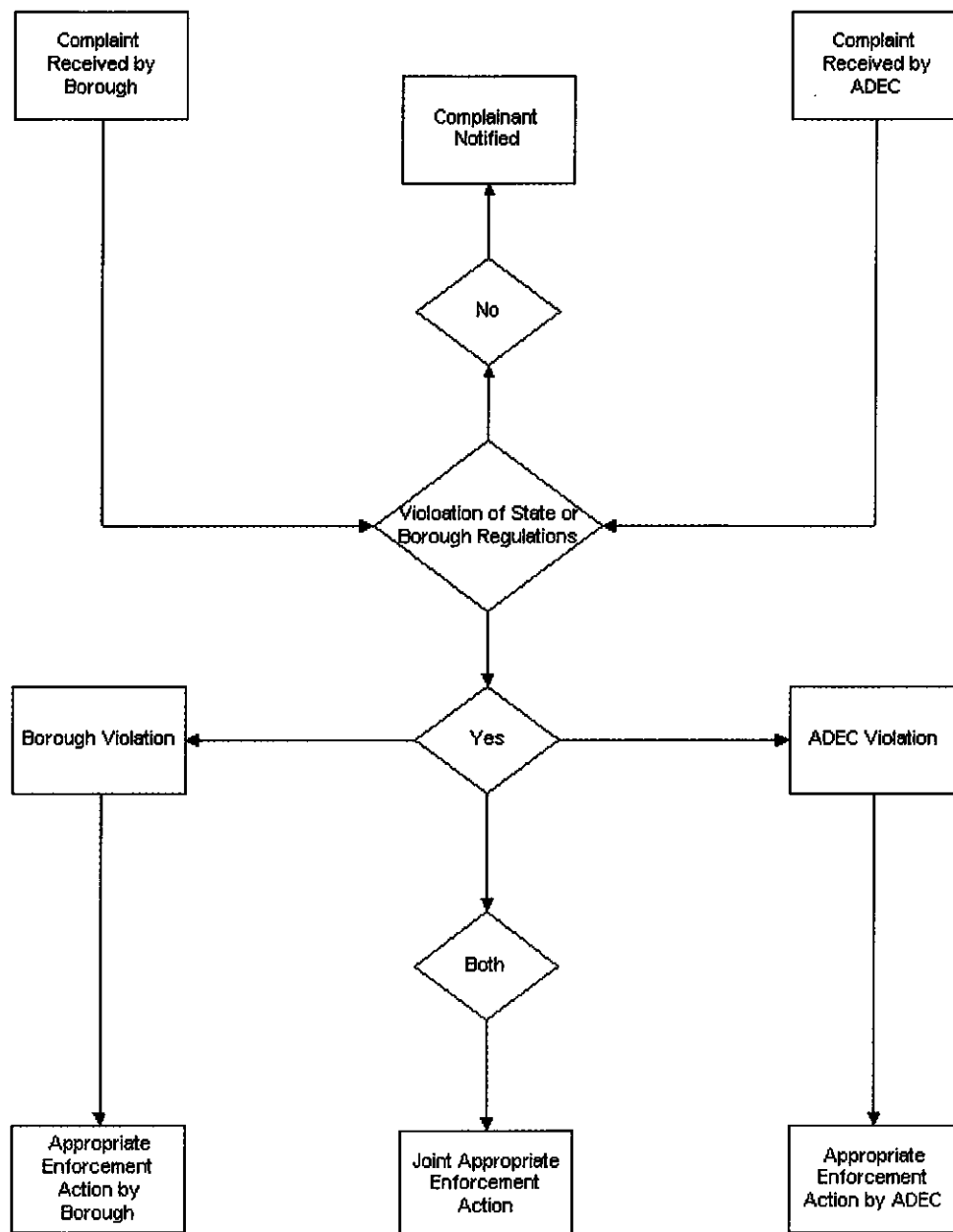
provide DEC and the Division of Forestry with copies of a handout, designed for distribution to burn permit applicants, which outlines the Borough open burning regulations;

advise DEC and the Division of Forestry of any changes to the Borough's open burning regulations and permit procedures; and

conduct an advertising campaign designed to educate the public regarding any significant changes in the Borough's open burning regulations and permit procedures.

IV. Complaint Response

DEC and the Borough will continue to respond jointly to public complaints regarding air pollution within the Borough. The flow chart delineates the course of action to be used in assessing the need for appropriate enforcement actions.



As indicated above, both DEC and the Borough will be responsible for assessing whether or not an air quality complaint received by their respective agency is a violation of either Borough or State regulations. This will necessitate close communication between the agencies regarding each others regulations. Once it is determined whether or not either, or both, State or Borough regulations are being, or have been violated, the appropriate agency will take the lead role in enforcement action.

Complaints received by DEC related to stationary sources will be handled by DEC. If the Borough is interested in any complaints regarding permitted facilities, the Borough will contact DEC and DEC will provide the information.

V. Ambient Air Monitoring/Air Quality Forecasting

The Borough will maintain and operate the network of carbon monoxide (CO) and fine particulate (PM_{2.5}) ambient air monitors to describe existing air quality conditions within the Borough. The Borough will review monitoring needs with DEC and EPA in consideration of resources available for the purpose of assigning monitoring priorities. The Borough will continue to provide recorded daily ambient carbon monoxide forecasts during the period of November 1 through February 28 each winter. DEC will provide technical support and quality assurance related to the ambient air monitoring network.

Close communication and cooperation between the agencies is necessary to share information on ambient air conditions to determine the need for issuing an air quality advisory, or declaring an air episode due to anthropogenic or natural events.

DEC will:

- continue to provide technical assistance to the Borough in the areas of ambient air monitoring science, instrument operation, and quality assurance;

- send to the Borough copies of correspondence and applicable materials associated with air quality monitoring work performed by DEC within the Borough and air monitoring information received from EPA or other sources which may be of interest to the Borough;

- notify the Borough as to reporting requirements, due dates, etc.;

- review and approve in writing monitoring site locations as required;

- provide, or facilitate in-state, technical assistance and training as time and funding allows;

- perform quarterly audit tests on the Borough's air quality monitoring network;

- assist Borough staff with field monitoring during periods of Borough staffing problems as time and funding allows;

- provide filter weighing operations for the analysis of particulate filters;

loan air monitoring equipment, shelters and supplies for use in FNSB seasonal monitoring studies, based on availability;

replace air monitoring equipment (e.g. CO monitors, data loggers) in future years, based on state amortization priorities and available funding;

provide assistance for major repairs to air monitoring equipment to insure minimum down time for instrumentation during catastrophic failures; and

conduct an annual monitoring network assessment and develop recommendations for any changes which may be necessary in coordination with the Borough and EPA.

The Borough will:

operate and maintain the CO and PM_{2.5} ambient air and meteorological monitoring network as required in accordance with state and federal regulations, guidelines, and the yearly DEC/EPA and Borough Air Programs work plan;

operate and maintain the PM_{2.5} speciation monitor in accordance with state and federal regulations, guidelines, and the yearly DEC/EPA and Borough Air Programs work plan;

conduct special air monitoring studies of criteria pollutants to identify/better define air quality problem areas, as funding and staff allow;

maintain instruments and equipment in good working order subject to available funding. In the event that funding is reduced DEC/FNSB will discuss and mutually agree before deferring maintenance;

submit to DEC in writing for approval any desired/required changes in the monitoring network;

maintain trained staff capable of operating and maintaining monitoring equipment and coordinate training needs with DEC to identify potential local and in-state training opportunities;

participate in the State's air quality data quality assurance program, and submit required data to DEC and/or EPA;

submit annual/quarterly air quality monitoring data to DEC within 30 days after the end of a quarter, to include but not be limited to CO and PM_{2.5};

continue to implement, as needed, the Borough's emergency episode prevention and response plan for CO;

provide a recorded daily CO forecast during the period of November 1 through February 28 each winter. The daily CO forecast will also be provided on the Borough web page and phone system for media and the general public. Forecast for weekends and holidays will be prepared in advance and posted the day before. As part of that forecast, provide a description of the air dispersion (poor, fair, or good) forecast for each day, with weekend and holiday projections made the previous Friday; and

provide a recorded weekly PM_{2.5} forecast during the period of May 1 through September 30 (fire season). A daily forecast will be provided during periods of poor air quality. The PM_{2.5} forecast will also be provided on the Borough web page and phone system for media and the general public. As part of that forecast, provide a description of the air dispersion (poor, fair, or good) forecast for each day, with weekend and holiday projections made the previous Friday.

VI. Air Quality Planning

The Borough will continue its efforts to maintain the national ambient air quality standard for carbon monoxide. This will include the study and possible implementation of reasonable, cost-effective strategies designed to further reduce ambient carbon monoxide concentrations which will aid the Borough in maintaining the carbon monoxide standard.

DEC will:

provide technical and administrative assistance to the Borough in the area of attainment of the national ambient air quality standard for carbon monoxide;

work with the Borough to develop additional programs that will aid the Borough in attaining and maintaining the health based standard for carbon monoxide in the Fairbanks area, subject to available funding; and

assist the Borough in its dealings with EPA, particularly in the development of additional strategies to reduce ambient carbon monoxide levels in the Fairbanks area.

The Borough will:

continue its efforts to maintain the national ambient air quality standard for carbon monoxide;

continue to study additional strategies to further reduce ambient CO levels (as needed) in the Fairbanks area;

implement additional CO strategies, only if needed to maintain the standard and are shown to be reasonable and cost effective;

continue to assist DEC to study carbon monoxide concentrations at cold temperatures, and the resultant impact of CO emissions on the prospects for maintenance of the CO standard in Fairbanks, including potential use of new and innovative programs; and

develop emission inventories as needed to support or implement CO SIPs.

VII. Inspection and Maintenance Program

The Borough will continue to maintain a strong vehicle emissions inspection and maintenance (I/M) program until such time as the Environmental Protection Agency approves its removal.

The Borough will:

continue to operate a strong decentralized vehicle emissions inspection and maintenance (I/M) program;

continue to evaluate methods for improving the I/M program;

continue to input and maintain I/M information in the I/M Tools software;

assist in or conduct surveys to identify seasonal vehicles being driven during prohibited times and vehicles with expired license tabs. Violators of the Seasonal Waiver Program will be sent Notices of Violation and be added to the list of those not eligible to receive future seasonal waivers;

assist in or conduct surveys to assist in determining the overall compliance rate of the vehicles actually driven in the Borough during the winter months;

follow state regulations contained in 18 AAC 52;

request program approval after every modification to Borough Ordinances concerning the I/M program in accordance with 18 AAC 52.035;

research and verify or confirm any hardware and/or software issues with the analyzers and forward written findings to the DEC;

evaluate impacts of new or proposed federal requirements on the I/M program;

conduct alpha and beta testing of any needed analyzer software update and forward written results to DEC;

develop and monitor QA/QC procedures for analyzers in the field;

work with DMV, EPA, Vehicle Manufacturers, etc. on IM technical or procedural issues related to the Borough I/M Program;

research or monitor, new automotive technologies and/or new model year vehicles, requiring I/Ms, and their potential impact to the IM program;

review I/M data/conduct advanced data queries and data analysis as needed, since all data is accessible to the Borough;

use the test van, dynamometer, analytical equipment and support equipment for I/M and cold weather testing projects as needed;

share data collected from all studies utilizing the dynamometer testing system;

with adequate notice, provide DEC access to the dynamometer testing system for special projects; and

provide DEC the opportunity to reclaim the dynamometer testing system should the Borough decide to surplus or dispose of the equipment;

DEC will:

meet its regulatory obligations under 18 AAC 52;

maintain and operate the centralized IM database (VID and I/M Tools), subject to available fees and revenues. This database contains all the I/M data collected statewide from all the analyzers, transfers the required information to DMV to allow for vehicle registration renewal and title transfer, as well as, handles all the historical test data and allows all daily administrative functions to occur for the I/M programs at the Borough, MOA and DEC. This includes the following:

- monitor/troubleshoot servers, UPS units, and associated equipment;
- perform standard Oracle database administration tasks (e.g. analyze tables, monitor memory use, optimize configuration based on changing usage patterns, watch for inefficient SQL, extend segments, etc.);

- backup database and file system daily;
- investigate and respond to problems reported by system status monitor (network failures, equipment failures, software failures, power outages, etc.);
- monitor/troubleshoot processing of daily vehicle record updates received from DMV, modify update routine as needed in response to changes at DMV;
- ensure that the electronic monitor of the transfer of test records to DMV (every 15 minutes) is working properly and perform any required updates, patches, reboots, etc. Any uploads and transfer errors will be researched and data recovered, if possible, then re-transmitted if needed;
- maintain and update periodic mirror-image development system (vs. production) in case of catastrophic failure;
- perform periodic auditing of security methods in place;
- perform data quality assurance audits, after every incident (power outage, etc.) and on a periodic basis, to insure quality of data. For example, randomly review data tables to ensure that all are formatted correctly and that there is no "garbage" in the fields;
- coordinate analyzer phone account maintenance, additions, deletions, changes;
- support Worldwide service technician regarding analyzer/VID connectivity issues;
- answer questions and provide troubleshooting for 8 IM specific end-user applications: IM Tools, QA Audit, EIS manual uploads, Enforcement/surveys, Change Management System, iQuery, Wireless vehicle lookup, and External Data Transfer;
- add/delete/change user accounts;
- limited response to requests for information as needed;
- limited query of data in response to management/user questions;
- ensure that there is adequate coverage of the system when primary programmer is on leave;
- limited on-going training, review of systems, integration of new systems, program enhancements. (Major efforts will require funding to cover time and materials);
- implement periodic system upgrades (licenses, hardware, etc.);
- make available a copy of the IM data for use by non-state contractors for data analysis. A time and materials fee will be assessed for extracting data and sending data to contractors;
- replace system computer hardware as necessary on a 3-5 year cycle;
- purchase yearly computer license for maintenance agreements;
- purchase yearly VIN decoder; and
- assist in records modification for covert & overt inspections, correct modifications after inspection as long as the assistance request is scheduled in advanced and some accommodation is given to programmer's schedule.

certify, for statewide use all analyzers, and any software updates

program new applications and/or modify existing applications to meet local program needs, PROVIDED, specific funding is available for the new applications or modifications AND the department has the authority to receive funds.

unless specifically funded, provide enforcement assistance, on a case-by-case basis, for dealers, out-of-jurisdiction, or complex cases.

pass on any information it receives that could have an impact on a local community, however, the department will not actively look for, anticipate, or plan for possible impacts or changes as a result of new or potentially new federal requirements;

conduct periodic winter season vehicle surveys to determine the compliance rate of the I/M Program;

forward any potential I/M evaders (seasonal) to the local community after sending initial contact letter;

only conduct investigations on potential false registration, expired registration, etc. when funded by a specific project; and

notify the Borough 90-days prior to the department's need to use the dynamometer testing facility for special projects.

VIII. Congestion Mitigation & Air Quality Projects

DEC and the Borough will:

coordinate requests for CMAQ projects;

jointly determine roles and responsibilities for implementing CMAQ projects at the time that the projects are submitted to the metropolitan planning organization or Department of Transportation for funding; and

implement CMAQ projects submitted prior to July 1, 2003 based on the roles and responsibilities previously agreed to at the time of their submission to the metropolitan planning organization or Department of Transportation.

IX. Notice/Project Contacts

For purposes of this agreement each agency will identify a project manager who will have overall responsibility for management of the agreement. The project managers may designate and identify in writing to the other agency, other staff with responsibility for implementing specific activities under the agreement.

For purposes of this agreement DEC's project manager is,

Tom Chapple, Director, Division of Air Quality

For purposes of this agreement, the Borough's project manager is,

Glenn Miller, Director, Department of Transportation

All project workplans and approvals shall be submitted through the project managers designated in this section.

Parties agree to notify each other in writing of changes in project manager or activity managers within 10 days of change.

X. Budgetary

DEC shall:

provide each year, by January 15th, an invoice for the prorated payment for VID and IM Tools operations and maintenance. For state fiscal year 2007, the cost is \$17,216. Future year appropriations shall be discussed and operational costs agreed upon no later than January 15th of each year. Future cost agreements made between DEC and FNSB shall be documented annually in writing between the DEC Air Quality Director and the FNSB Director of Transportation. These annual funding agreements shall make specific reference to this Memorandum of Understanding;

provide each year that the conditions of this Memorandum of Understanding are met, a total of \$54,000 for the work described in the approved annual work plan and up to \$18,500 for operation and maintenance of the PM2.5 speciation sampler (to be negotiated annually) and to document annually in writing between the DEC Air Quality Director and the FNSB Director of Transportation these annual funding agreements and make specific reference to this Memorandum of Understanding; and make, upon receipt of a request for reimbursement which shows at least 50 percent of the local match funds have been expended, an initial payment of \$40,000. The balance will be provided upon completion of the work identified in the approved annual work plan, for each fiscal year, and the submission of a final Financial Status Report which identifies the total program expenditures.

FNSB shall:

upon receipt of DEC invoice in January each year, pay for the operations and maintenance costs of the I/M program not covered by legislative appropriations. For state fiscal year 2007, the cost is \$17,216. Future year appropriations shall be discussed and operational costs agreed upon no later than January 15th of each year. Future cost agreements made between DEC and FNSB shall be documented annually in writing between the DEC Air Quality Director and the FNSB Director of Transportation. These annual funding agreements shall make specific reference to this Memorandum of Understanding;

adhere to applicable sections of 40 CFR 30, 31, 32, 33, and 35, Subpart A. The principal "parts" of 40 CFR, Chapter 1, Subchapter B, and Part 32 "Debarment and Suspension Under EPA Assistance Programs"; Part 31 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"; and Part 32 "Debarment and Suspension Under EPA Assistance Programs";

comply with the requirements of the Single Audit Act (OMB Circular A128);

file a preliminary financial status report on or before August 20 each year;

file a final financial status report on or before September 20 each year;

inventory and track all equipment purchased. Disposal shall be in accordance with current federal requirements. Purchase of equipment exceeding \$3,000 for a complete unit must be approved by DEC in advance of purchase;

when issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with grant money, clearly state (a) the percentage of the total cost of the program or project which will be funded with grant money, and b) the dollar amount of grant funds for the project or program;

make a good-faith effort to maintain a drug-free work place by publishing a statement notifying employees that manufacturing, distributing, dispensing, possessing, or using a controlled substance in the work place is prohibited;

when issuing contracts, ensure all contractors and subcontractors have a valid Alaska business license;

provide for DEC representation on committees reviewing RFPs and

contract awards using DEC pass through or DEC grant and Borough funds;

submit copies of signed subcontracts and purchase orders between FNSB and minority/women construction and supply firms on a quarterly bases;

ensure that no portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74;

ensure that the cost principles of OMB Circular A-87 are applicable to this award. When indirect costs are included within the assistance budget, the recipient must be in compliance with A-87 and EPA regulations regarding allowable project costs. Actual indirect costs charged to this agreement may not exceed the final approved rates as negotiated annually between the State and the appropriate cognizant federal agency;

in accordance with the Clean Air Act, Section 105 b(3) and EPA regulations, provide matching funds to support the programs which are at least equal to the local matching funds spent in the prior year; and

spend local matching funds on at least a pro rata share with the understanding that local funds spent for the year must equal or exceed the amount spent in the previous year. Should the amount of local funds not equal or exceed the previous year's grant expenditures, the grant may be revoked. Unexpended grant funds shall revert to DEC to be reprogrammed (if prior to June 30 of each year) or returned to EPA according to federal law.

XI. It is mutually agreed:

1. that nothing in this agreement shall be construed as obligating DEC to the expenditure of funds, or for the future payment of funds, in excess of that authorized by this agreement.
2. that the Borough may provide funding to DEC for performing special projects negotiated under this agreement.
3. that future year awards will be authorized only upon receipt of federal funds and upon an approved annual work plan, which must include lawfully appropriate detailed budget information, project period, and signature blocks for both parties.
4. that an interim financial status report will be filed on or before March 31 each year. The purpose is to determine if all grant funds will be expended by the end of the fiscal year (June 30). If grant funds will not be fully expended,

DEC may restrict the amount of grant funds and reprogram the unexpended funds in accordance with EPA regulations.

5. that specific full-time equivalents listed for each task in the annual work plan are both parties' best estimate and only approximate; and
6. that amendments to this agreement may be proposed by either party and shall become effective upon approval of both parties.

XII. Execution/Modification and Duration of Agreement

This amendment will be in effect upon signature by both parties until amended or revoked. The agreement may be terminated upon 90 days' written notice by either party. FNSB shall return all unexpended funds to DEC. In addition, all notes, data collected, equipment and any draft reports shall be submitted to DEC within 30 days of termination of this agreement by either party.

Alaska Department of
Environmental Conservation

Fairbanks North Star Borough

By: 

Acting Kurt Fredriksson
Commissioner

Date: 12-20-06

By: 

Joanna McDowell
DEC Finance Officer

Date: 12/19/06

By: 

Jim Whitaker
FNSB Mayor

Date: 12/15/06

Attest: 

Mona Lisa Drexler
FNSB Clerk

Date: 12/7/06

Reviewed by Legal Department
Date: 11-30-06
By: 